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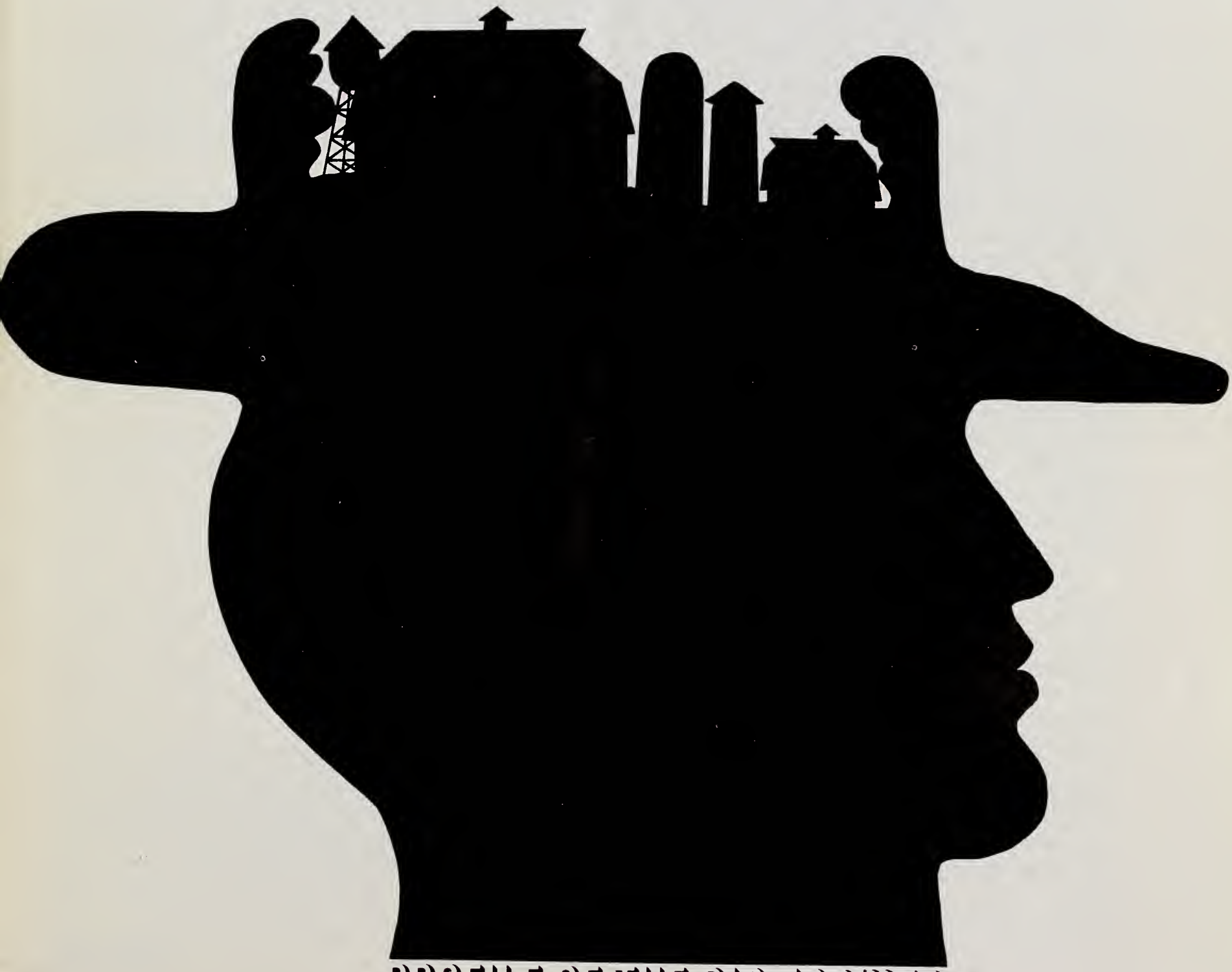


PROFILE OF THE BIG FARMER

THE AGRICULTURAL OUTLOOK

Looking ahead. Although business activity continues to expand, the much sought slowdown of the U.S. economy may have begun.

Economists anticipate constricted economic growth for the next 6 to 9 months. Presaging the slower pace:

—Consumers appear to have their backs up about high costs and expensive credit. Surveys of consumer buying plans in late 1969 revealed some signs of caution—and retail sales could well be sluggish through most of 1970's first half.

—High construction costs and tight money are discouraging industry investment, too. Corporate profits look to be lower through midyear than during the same 1969 period.

—The federal government has already announced a cutback in its defense and construction spending, which will affect heavy industries and local governments.

After midyear, what? Things could pick up a bit late in the year if monetary conditions ease and price hikes slow.

Industry is still planning substantial outlays for plant and equipment on the basis of the long-term outlook for the 1970's. And the view is brighter on the international trade horizon—although much will depend on our ability to curb inflation and improve our competitive position in world markets.

For 1970 as a whole, growth of our gross national product could bring the level up about 6 to 6½ percent over the 1969 figure. "Real" GNP (not inflated by rising prices) could gain 1 to 1½ percent.

Income indications. Personal after-tax incomes aren't likely to swell quite as much this year as last—when they registered a 7-percent gain over 1968.

If the economic slowdown bites further into employment—which it may—payroll increases may slacken and income gains narrow.

On the other hand, if the income tax surcharge is reduced—and prospects for a substantial increase in social security payments next spring materialize—this would give personal after-tax incomes a shot in the arm.

Price pace. A pronounced slowing is expected in food price increases this year. In contrast to 1969, when retail food prices rose about 5 percent from the year before, this year should bring a gain somewhere in the neighborhood of 3 percent.

Spending for food through spring will be a bit higher than a year ago at this time—the natural result of demand by a bigger population with more money to spend. However, the expenditure increase should hold about in line with the rise occurring in retail food prices. Consumers probably will continue their attempts to offset higher food costs by buying less expensive foods.

Our expenditures for food as a percentage of consumer income after taxes are expected to decline slightly from the 16½ percent of last year, thus continuing the historic downtrend.

Export expectations. Demand in foreign markets for U.S. farm products and nonfarm goods and service items may be stronger in 1970 than last year.

Prospects for our agricultural exports in fiscal 1970 (ending June 30) indicate they may top $6.0 billion—over 5 percent more than last fiscal year. While this would be well below the record high of fiscal 1967, it nevertheless would top the 1961–65 average by over 10 percent.

The bulk of the increase in this fiscal year's export value is expected to come from larger shipments of fruits and vegetables, grains and preparations, and oilseeds and products. Animal products, cotton, and tobacco should remain near fiscal 1969 levels.

Commercial sales for dollars (including barter for offshore procurement) are expected to be considerably above the $4.7 billion level of fiscal 1969 and constitute about 85 percent of this fiscal year's total agricultural export value.

PROFILE OF THE BIG FARMER

Economists take a close look at the land, machinery, and other production items used by the more than 31,000 operators of farms with annual sales over $100,000.

He's something special—the operator of one of America's 31,401 farms with annual sales of $100,000 or more.

A composite picture of the average farm operator in the $100,000-and-up sales bracket shapes up like this:

Age. He's probably in his late forties. If he operates a livestock ranch or a cash-grain, cotton, or poultry farm, he's 46 years old on the average. If he's the operator of just about any other type of farm in the same sales category, he's probably 50. While most U.S. farm operators are between 35 and 54, those with sales of $1 million or more average 49 years.

Education. He's most likely a high school graduate. Only 20 percent of the farm operators in the $100,000-and-up sales class didn't go beyond elementary school. And, at the opposite end of the educational ladder, only 17 percent completed 4 or more years of college.

Farm residence. In 1964, 76 percent of farm operators with sales of $100,000 to $199,999 lived on their farms. But only 42 percent of farmers with $1 million or more sales lived on theirs.

Efficiency. He spends a lot of money on production items.

The value of major production items bought by farm operators with over $100,000 in sales in 1964 amounted to 60 percent of the value of all farm sales.

These same farms accounted for 29 percent of all the feed, 39 percent of all livestock and poultry, and 17 percent of all seed bought by farmers. They also paid for 11 percent of the fuel and oil, 24 percent of the machine hire, and 40 percent of hired labor expenses of all farmers.

Type of farmer. He's likely to be a livestock, cotton, dairy, or poultry farmer and he probably specializes in just one product. In 1964 these four types represented 56 percent of all the "big" farms and contributed 57 percent to their sales. The same four types made up about one-half of all farms with sales of $1 million or more and furnished half their sales.

Acreage. Few of the 31,401 largest farms in value of sales were extremely large in acreage.

About 60 percent had less than 1,000 acres; 3 percent had less than 10.

Farms with sales of $100,000 or more covered a total of 121 million acres of land—11 percent of total U.S. farmland. But most of the land they operate is grazing land (66 percent), followed by cropland (24 percent), and woodland (7 percent).

Ownership. He owns his farm but he rents a lot of land, too. From 1944 to 1964 the proportion of all farmland operated under ownership, rental, and paid management remained nearly the same. About 55 percent of all farmland was operated by owners, 35 percent by renters, and about 10 percent by paid managers.

The situation differed only slightly on farms with sales of over $100,000—less land was operated under ownership, and more under rental and paid management.

Region. His farm is probably in the West. Farms with sales of $100,000 or more accounted for 53 percent of all farm marketings in the West in 1964. In the South, farms in the same sales range had 24 percent of sales in that area. In the North, 12 percent.

Some 524 farms with sales of $1 million or more—only 0.2 percent of all farms in the West—were credited with more than a fifth of all farm sales in that part of the country.

California alone has 23 percent of all U.S. farms in the $100,000 sales category and contributes 29 percent of total U.S. sales made by such farms.

Family farm. In 1964, 14.5 percent of all farms with over $100,000 in sales were family farms as usually defined. They accounted for 8.4 percent of large-scale farm sales nationwide, but their locations varied.

In Iowa, family farms provided more than 45 percent of marketings by farms with sales of $100,000 or more. But in California, the figure was 4 percent.

Hired labor. In 1959 the farms with sales of $100,000 or more used about 390,000 man-years of hired labor—30 percent of total hired work. The 919 farms with sales of over $1 million accounted for 11 percent of the total labor input on farms in 1964.

In 1959, farms registering sales of more than $100,000 numbered 19,979—0.5 percent of all farms—and accounted for more than 16 percent of total farm marketings. Five years later, when the number of "big" farms had grown to 31,401, they comprised about 1 percent of all farms and contributed almost a quarter of total farm marketings.

Enterprises with sales of at least $1 million more than doubled in number from 1959 to 1964 from 408 to 919. These extra large farms, in terms of sales, accounted for 6.8 percent of all farm products sold in 1964, compared with 4.2 percent of farm products in 1959. (*1*)

Managerial Skill, Savvy Replace Farmer's Green Thumb Technique

Fifty years ago, a successful farmer's most important attribute was his green thumb. But today it's more apt to be his managerial ingenuity—his savvy balancing the use of technical know-how with the use of credit and other resources and services at his command.

Like entrepreneurs in nonfarm businesses, the farmer receives components from many sources and puts them together in such a way that the products of his farm are as much a result of mass production techniques as is, say, the latest model car turned out in Detroit.

From the landowner, the farmer rents more land.

From various suppliers, he buys feed, seed, fertilizer, and pesticides.

From the machinery dealer, he buys or leases equipment.

And from the banker he borrows the money he needs to operate.

As a result, more and more farm returns leave the farm in much the same way that a large proportion of the net returns of other industries flow to outside suppliers of goods and services.

Specialization in the use of components supplied by others has also fostered a separation of farming operations into those essentially land-based, such as crops, and those which are land intensive, such as livestock and livestock products.

Except for range livestock and cow-calf operations, most livestock activities no longer need lots of land.

More important to such enterprises as broiler and egg production, beef feedlots, pig parlors, and specialized dairy operations are large amounts of capital and skilled management.

These operations, therefore, are losing their farming image and becoming less and less distinguishable from nonfarm activities. Without the land constraint there will be greater potential for firm growth. Thus, production of these commodities is most likely to be concentrated in large-scale production units.

And the farmer of the future may well find that on the farm—as has already happened in industry—organized intelligence and managerial ingenuity are replacing ownership as the prime source of power. (*2*)

Nebraskans Counter Hail's Havoc With Insurance at Varying Fees

Nebraska farmers are not likely to greet hailstones with a hearty "hail fellow well met."

Hailstorms usually mean financial losses which can be devastating or minor depending on the crops hit, the severity of the

storm, and the farmer's hail insurance policy.

The Nebraska farmer has a choice of several policies of varying costs and coverages. The cost of most hail insurance policies is determined by the location of the farm, the type of crop to be insured, and the extent of coverage wanted.

The Crop-Hail Insurance Actuarial Association has established basic premium rates per $100 of coverage for each Survey Township in Nebraska. Individual companies are free to use or disregard these rates. The State Insurance Commissioner must approve all rates, however.

Rates are highest in the western part of the State where most hail falls.

Crop vulnerability is another determinant of insurance rates. Winter wheat may be severely damaged by a June hailstorm; seedling grain sorghum may push up unscathed.

In Nebraska, an "adjustment factor" has been established for various crops, depending on their vulnerability to hail.

The adjustment factor—which ranges from .50 for potatoes to 2.00 for nursery crops and some fruits—when multiplied by the base rate of the township, is the first step in reaching the cost of one type of hail insurance.

So a farmer growing soybeans, which are relatively vulnerable and have an adjustment factor of 1.50, would pay a higher premium than a farmer growing grain sorghum with a .60 adjustment factor, assuming they both wanted the same amount of coverage.

And if the farmer's soybeans are growing on a western hill in a "high hail probability" township, and the grain sorghum is sprouting on an eastern plain in a "hail-safe" area, the soybean farmer's hail insurance premium would be even higher and the sorghum grower's rate would be proportionately lower. (*3*)

Men and Milestones

FATHER OF THE NATIONAL GRANGE

In 1866, the U.S. Commissioner of Agriculture sends Oliver Hudson Kelley into the South on "special business." Memories of the War Between the States are still fresh, so as an agent of the government Kelley is not always warmly welcomed. But he is well received in Virginia and the Carolinas—a fact he attributes to his membership in a fraternal order. Therefore, he reasons, why not create a bond between farmers through a similar fraternal organization centered on their interests? And the idea of a National Grange is born.

* * *

Oliver Hudson Kelley presented his report on farm conditions in the South to Isaac Newton, first U.S. Commissioner of Agriculture.

Then in 1867, after a short stay at his farm near Itasca, Minn., he was back again, this time with the Post Office Department.

But he had not forgotten his idea of a Grange. He discussed it with friends who included William Ireland of the Post Office Department, William Saunders and A. B. Grosh of the Department of Agriculture, John R. Thompson and Jonathan Trimble of the Treasury Department, and Francis McDowell, a banker.

As an outcome, these seven men formed a national organization called the "Patrons of Husbandry," with subsidiary State chapters and subordinate local clubs. Kelley suggested using "Grange" to refer to the State and local units.

Initially, the Patrons of Husbandry group had emphasized social and educational goals. Then, it branched into cooperative marketing and purchasing.

Thanks to Oliver Kelley's dream, the first nationwide, general farm organization—the National Grange—today reaches farmers everywhere in America. (*4*)

Gopher State Runs Ahead Of All Others in Output of Gobblers

Who blinks an eye at the sight of "broiled Maine Lobster," or "Idaho baked potato" on a menu?

But the fame of "Minnesota roast turkey" is more regional than national.

Yet Minnesota now raises more turkeys than any other State, and the gobblers earn their Gopher State producers a fairly stable cash farm income of $50 million yearly.

More than 16 million Minnesota turkeys went from farm to market in 1968, compared with only about 4 million in 1950. During this period, total U.S. turkey output more than doubled —from 44.4 million birds to 106.4 million. And Minnesota's share of this total rose from 9.5 percent to 15.4 percent.

(California was the leading turkey State during a number of years in the past decade. But it dropped back to second place in 1968. Missouri, North Carolina, and Texas ranked next.)

Minnesota's turkey flocks have not only become more numerous but, in the past 3 years especially, there's been a shift toward light breeds—weight, not color.

The general nationwide trend has been just the opposite, partly because heavier breeds are more economical to use in processed products.

As a result, Minnesota's share of U.S. light breed turkey output was approaching 50 percent in 1968, compared with under 15 percent in 1950. Heavy breeds still accounted for 10 million of Minnesota's 16-million-bird output in 1968. But this was a sharp drop from the State's peak heavy-bird production of over 13½ million in 1965.

Prices that Minnesota farmers get for turkey are traditionally below the national average. Since they raise far more birds than local markets can use, this widens the marketing margin that must cover transport costs to eastern U.S. markets where local turkey raisers can't meet demand.

Despite their price disadvantage, Minnesota turkeys provide over half the State's income from poultry farms. And poultry farmers have welcomed this income, since egg output there has been dropping steadily for the past 15 years. (*5*)

Full Owner, Full Tenant Farms Smaller Than the Partly Owned

It's not the amount of land a farmer owns. It's the amount he operates that counts most in agriculture today.

This is the gist of a recent Economic Research Service study focused on the development and present status of land tenure in the United States.

According to the study, the proportion of farms operated by farmers who owned all their land increased from over 47 percent in 1935 to almost 58 percent in 1964.

But this 58 percent used only about 29 percent of all U.S. farmland. And a close look at those full-owner farms reveals that just because they owned all of their land, they didn't necessarily make the most money.

The typical full-owner farm in 1964 was too small to produce a satisfactory level of living, no matter whether measured by number of acres, size of investment, or value of products sold.

Farm operators who owned part and rented part of the land they used dominated the 1964 tenure picture.

Although they accounted for one-fourth of all farms, they operated almost half the land in farms. Part owners operated much larger farms than either full owners or tenant farmers. And nearly half of the part owners' operations sold products valued at $10,000 or more in 1964.

Just over 17 percent of farm operators were tenants who owned no land. These operators farmed more than 13 percent of the land in 1964. And 37 percent of them sold farm products valued at $10,000 or more.

A minuscule 0.6 percent of farm operators were managers only, neither owning nor renting but working under a management contract. They operated more than 10 percent of the farmland in 1964 and nearly 7 out of 10 of their farms sold $10,000 or more worth of farm products that year.

Between 1940 and 1964, the average size of U.S. farms doubled.

One reason for this is increasing mechanization which allows each man to operate more land.

Of the 2.2 million commercial farms in business in 1964, 1.6 million reported $5.5 billion in off-farm income—an average of nearly $3,500 for each farm reporting. This income varied considerably by tenure, from an average of $2,600 for tenants to $5,200 for managers. (*7*)

Fill It Out, Mail It Back

Early in January every farmer and rancher will receive in his mail an envelope bearing the inscription "Fill It Out, Mail It Back." Its contents: a form for the 1969 Census of Agriculture, which each farmer will be asked to complete on his own and mail back promptly.

This year's mail out-mail back technique should prove cheaper and more efficient than the knock-on-door method used in 1964 and earlier years.

The completed form for each farm operation will be completely confidential. The information, however, will be grouped in statistical totals and published by counties and States as well as for the entire Nation. (*6*)

THE OLD AND POOR "ROCK ON"

What's it like to be rural, poor, and old in the age of the "now" generation? Interviews with senior citizens from New Hampshire rural hinterlands tell it like it is.

"It isn't living, it's existing."

"The windows shake all the time, and the cold downstairs comes through the cracks in the floor."

"What is Medicare, Louise? Do I have it?"

These are some of the comments of older poor people in New Hampshire as recorded by interviews. They offer a revealing glimpse into the lives of the old, the poor, and the rural: People who "rock on"—meaning "carry on" despite adversities—even though they are often overlooked in the current emphasis on the young, affluent, and urban.

Interviewers personally talked with 53 New Hampshire older people who lived in cities, in rural areas, and in institutions.

The following findings are based on the interviewers' personal appraisal of the oldsters' lot in life or on actual statements by older, poor rural residents.

On housing.

"Upon entering the house we notice first the myriad of flies . . . interior walls . . . covered with plain brown wrapping paper . . . and a linoleum floor . . . ripped, warped, and very dirty. There is no running water or electricity. A wood stove in the kitchen is used for heating and a well supplies water. A small building serves as an outhouse but no hole has been dug to receive refuse. Oil lamps are used for light . . . only luxury is a small radio."

On income.

"Mr. K. receives $58.00 per month from social security. Mrs. K. said that she never worked long enough to be eligible. . . . Their income is definitely not adequate but Mr. K. says he makes up the deficit by trading goods in exchange for groceries. 'Sometimes we have to go into debt but eventually make it up when I find something to trade. Have to really scratch around to do it. . . . We have less than $2 a day to live on. . . .' They have no savings or income but their sons help when they are working. . . ."

On health.

"Mrs. C.'s health appears to be very good, but Mr. C. had a

stroke last year and his right side is completely paralyzed. They are covered by Medicare. . . . 'Once in a while I go out for a ride,' Mr. C. says, 'Before I had this bad leg I built the house and did a lot of gardening and farming.' He especially enjoys 'tinkering with tools,' when he is able to get around. . . . The C.'s have a small amount of savings and receive social security."

On loneliness and isolation.

" 'We pick a little weeds, play solitaire. That's about all,' says Mrs. N. She'd like to work in the garden but can't because of arthritis. 'I guess I like housework best. I have to do it anyway.' They have no car to get to clubs or church. 'We don't get out of the house much. Sometimes, we walk down the road. I wish I could go visit friends. Some visit us. We don't go no place. . . . ' "

Some conclusions drawn from the study:

—Oldsters need to be better informed about existing programs designed to help them.

—Health services might be better geared to reduce discomfort and to change the outlook of elderly patients.

—Services of a visiting nurse or someone with comparable training may be preferable to sending an older person to an institution away from the family and familiar surroundings.

—Some attempt should be made to improve housing conditions and reduce taxes on homes owned by the elderly.

—Senior citizens would benefit from stronger encouragement to participate more in social activities.

—Oldsters should be provided more opportunities to "get out" with the help of lower fares on public transportation, for example.

—Special programs to make use of needed skills that older persons already have, or to train them in new skills appear to be lacking or inadequate. (*8*)

Lost Labor Learned

It isn't easy to spot a low income county with growth potential. And programs for stimulating growth may not be the same in counties with an underemployed labor force as those that fully use the present capacity of the men and women in the labor force.

After all, some 2,500 of the more than 3,100 counties in the United States have labor forces classified as underemployed and with low median incomes.

For the area development policy maker, however, the key to correct choice of activities to promote growth may be the underemployment factor.

A county is considered underemployed when the labor force earns less than would be expected considering age, education, and other selected attributes of the people making up that labor force.

If a low income county is also a county of underemployment, then the county can more likely meet a new industry's labor needs since the local labor force has been functioning at less than the full capacity of its members.

But if reported low incomes are about as much as could be expected, the county is classified as not underemployed and the limited capacity of the labor force to meet new needs might well prove a bottleneck to further area growth.

Using the 1959 median income of $4,111 for men as the dividing line, 83 percent of all U.S. counties were low income counties in 1960. They contained 42 percent of the labor force.

Eighty-eight percent of the counties—containing 50 percent of the country's labor force—were underemployed.

But 81 percent of the counties—containing 38 percent of the labor force—had both a low level of income and were also classed as underemployed.

Low income and underemployed counties were more often more sparsely populated than high income counties that were not underemployed.

Counties classified as not underemployed averaged 58,910 workers per county. Mildly underemployed counties averaged 15,650 workers per county. And severely underemployed counties averaged only 4,296 workers per county. (*9*)

Your Farm May Be New Tourist Attraction, But Is It Worth It?

Next summer they'll come—the teenagers, the young-marrieds with tiny tots, the older families and the oldsters. City folk, out for a weekend or a vacation, seeking rest and relaxation in the countryside.

And many farmers—once loathe to accommodate this annual invasion—are now planning to welcome the tourists with open arms.

Demand for rural recreation has skyrocketed over the years. And there are no signs of a letup in demand for recreational facilities next summer or the summer after that, even though more and more facilities will be available.

Snowmobiles, camper-trailers, motor boats, beach buggies and a host of other equipment have been developed in the past few years to meet this expanding demand.

What opportunities are in rural recreation for the farmer? And what are the pitfalls of running a farm recreation enterprise?

Like other farm enterprises—not every attempt by a farm operator to run a recreation business will be successful.

Family-sized recreation enterprises are comparable to part-time or small scale tobacco, cotton, poultry, or dairy enterprises. Each is a business. Each must be able to meet competition —or fall by the wayside.

Most Americans (90 percent, according to one study) have simple tastes in outdoor recreation. They prefer sightseeing in a car, picnicking, swimming, fishing, boating, hiking, hunting, camping, and horseback riding.

They like to be near the water. They prefer rolling woodlands to flat open areas. And many of them want—and need—combinations of natural resources, facilities, and services. The farmer

who wants to branch out in the recreation business must provide at least some of these.

Ideally, there should be other public or private playgrounds and recreation areas already nearby. These help to attract customers to the area and also provide a variety of activities in addition to those of the farm recreation enterprise.

Unless an operator plans to enphasize or specialize in types of recreation which capitalize on isolation, he is advised not to go into the recreation business a long distance away from other recreation facilities.

In developed recreation areas, the drawing power of one firm is enhanced by others. Their combined community of interests attracts more visitors and more from longer distances than most of the enterprises could alone.

About 90 percent of the operators interviewed in one Economic Research Service study were located near public lands and waters which, in effect, draw potential customers for them.

And nearly half of the operators were near other privately owned recreation facilities.

With the burgeoning demand for recreation, it might seem that all farm recreation operations should be profitable. But not all of them are—according to the following findings of an ERS survey of six types of farm recreation enterprises in Arkansas:

Fishing lakes. Netted annual returns that averaged about $320, with a range from minus $200 to plus $1,400.

Boat rentals. Averaged $1,800 in net returns, ranging from plus $400 to $1,900.

Guide services. Showed an average net return of $1,800 per enterprise, with a range between $1,100 and $2,500.

Private campgrounds. Brought in net returns averaging $640, ranging from plus $380 to $900.

Hunting preserves. Showed a negative return average of minus $4,000 for each enterprise, with a range from minus $8,000 to a plus $500.

Riding stables. Showed net returns ranging from a minus $500 to plus $4,900—with a plus $1,100 as the average.

Numerous studies of other areas reflect the same general financial relationships.

Reasons given for low or negative returns? The highly seasonal nature of the business, dependence on part-time, unskilled labor, poor location, high overhead costs, and inability to attract sufficient customers.

Opportunities for developing recreation businesses exist in almost every community. But, as with every other kind of successful undertaking, the farmer must provide the kind and quality of service wanted by the public in a highly competitive market.

His chances of success are significantly improved if he is located near a large population center and also close to possible water-based recreation. (*10*)

Play Money

You want to turn the back pasture into a summer playground . . .

Or the pond into a swimming pool . . .

Or the hollow by the creek into a picnic area.

But you need capital to do it. Where do you get the money?

Hopefully, from your local banker or other private lender. Otherwise, you might turn to one of the following government agencies, including the U.S. Department of Agriculture (it's been financing recreation enterprises since 1962):

Farmers Home Administration. This appears to be one of the best government sources today for recreation enterprise development funds. But farmers may obtain funds from FHA only if they have tried all private money sources without success.

Small Business Administration. As with FHA, the SBA may not make a loan if the farmer can obtain funds from a bank or other private lender.

Economic Development Administration. EDA has made relatively few loans for recreational purposes so far. And potential applicants would probably do well to work through facilities of local Technical Assistance Program (TAP) committees in trying to obtain an EDA loan.

Federal land banks and credit associations. These lenders may make loans to farmers to finance recreational facilities if the facilities do not supplant basic crop or livestock operations on the farm.

Cooperatives. Sometimes a cooperative can provide an avenue for part of the development funds needed. For example, a farmer can often arrange to finance wiring, plumbing, and purchases of electrical equipment and machines for his recreation enterprise through membership in his local Rural Electrification Administration cooperative.

Cropland Adjustment Program (CAP). CAP provides long term agreements that encourage farmers to convert land used for crop production to other uses for public benefit. Among these uses are recreation, wildlife preserves, natural beauty, water pollution control, forests, and open space. (*11*)

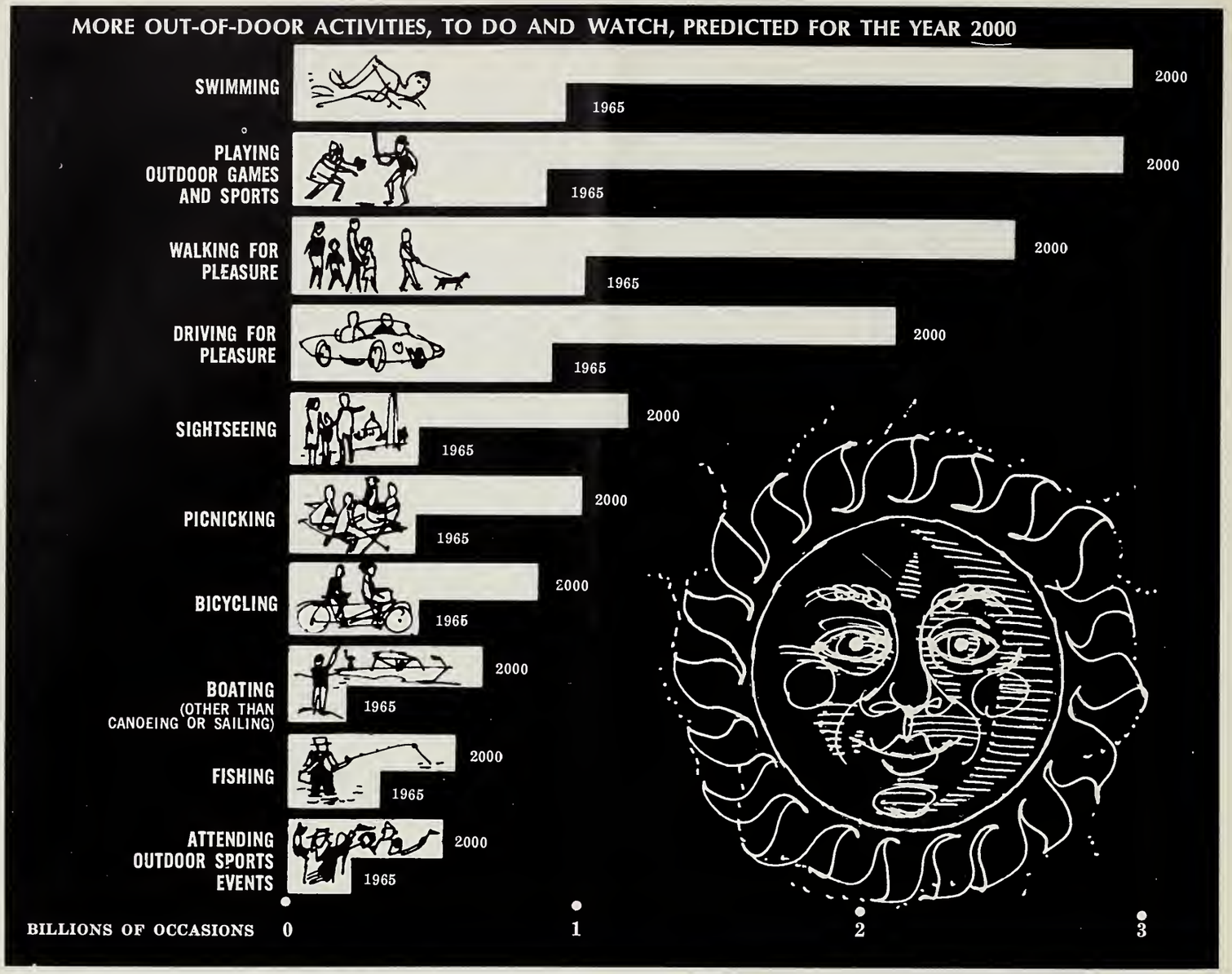
Public vs Private Recreation Test Focuses on New Hampshire Park

What's Pawtuckaway State Park in New Hampshire got that makes it so special in the eyes of economists? The answer: It's an ideal spot to measure the impact of public versus private recreation development of a land and water resource.

The park is on the western shore of Pawtuckaway Lake. All along the eastern shoreline are privately owned houses, most of which see only seasonal summer recreation use.

Thus, in the four-town area surrounding the lake, economists can readily observe which of the two types of recreation development—public or private—has the greatest impact on the local economy.

The park was opened to the



public in July of 1966. A year earlier, before actual construction of park facilities began, researchers in ERS and the New Hampshire Agricultural Experiment Station already knew what the pre-park economy was like—as they had carefully documented all its characteristics that were applicable to the study.

They contacted all of the Pawtuckaway lakeshore residents to find out where their permanent residence was, how many days they spent at the lake each year, and how much they spent there on home improvements and supplies like food and gasoline.

The researchers also interviewed representative residents in the four nearby towns to get an idea of their spending patterns.

And all of the 169 business firms in these four communities were contacted to determine the nature of their business, their gross dollar volume and the seasonal distribution of this volume, the distribution of their expenses, and the customer orientation of the firm.

Public records showed local government expenses, tax revenues, land transfers and valuations, and resident population.

Thus, the researchers were able to obtain a good picture of what the Pawtuckaway area was like with only private recreation development.

The public recreation development phase is being traced by annual surveys of public park users—how long they stay in the area, what they spend, and where they come from.

This year all this information will be summed up and weighed when researchers resurvey the business firms in the area.

This resurvey should indicate whether establishment of the park has significantly changed

seasonal distribution of income from business, its orientation, and proportion of income derived from the sale of goods and services in the four town area.

Some of the information collected by the researchers has already been tabulated. Here are some of the more important of the preliminary findings:

—The 113 seasonal residences on the eastern shoreline represented roughly 45,000 days of recreation use in 1966. In contrast, the public parkland on the opposite shore provided about 140,000 user days. This is a measure of the intensity of recreation use possible under public versus private development of an area.

—Over the period 1961–65, lake-oriented residents spent about $170 a year on home improvements —but only 60 percent of this went to local businessmen. In 1966, the per capital expenditures of public parkland users averaged about 66 cents a day.

This was relatively low—and quite probably reflected lack of outside amusements and lodgings in the four-town area. Yet it added up to $61,000 for the year.

Each type of recreation development, public and private, has its own pros and cons which the researchers hope to study carefully at Pawtuckaway Lake.

One big advantage of full public development is its practically built-in guarantee that environmental quality will be consistent with open space land uses.

On the other hand, public development removes some land from tax rolls, and this increases the tax burden that's passed along to private citizens.

Under full private development, some seasonal residents might well become permanent residents and generate more trade year-round for local businesses.

But it would also increase town expenditures for schools, sewerage and water systems, and general social overhead. (*12*)

New Town, U.S.A.: Wizardry In Its Planning and Not Its Selling

Dorothy, heroine of the "The Wizard of Oz," wouldn't have to choose today between a trip by cyclone or by "the yellow brick road" to reach the fabulous Emerald City.

Plenty of ordinary highways in the U.S. would do—at least according to sales brochures and other publicity put out by some of the "New Towns" now springing up all over the country.

Once there, however, Dorothy might find that, as in Oz, all is not what it seems: The vision of verdure too often turns out, in reality, to be little more than the verbiage of housing development salesmen who capitalize on the increasingly popular term, "New Town."

Properly used, "New Town" refers to a relatively self-sufficient new community—usually built on the rural fringe of a metropolitan area—which includes at least schools, recreation facilities, shops for food and other every day needs and some semblance of an economic base.

Such a community can be relatively independent or it can be a "satellite" of an existing large city.

It can have many businesses and industries contributing to its economic base or it can be a single industry town.

It can be self-governing or it can have its local government functions handled entirely by the city or county within whose political jurisdiction it lies.

Ideally, a "New Town" should also provide housing of many different types and prices, health facilities, and a public transportation system.

It should provide for a variety of industries and offices so that a high proportion of wage earners living in the town would have the opportunity to work there.

And if artistic and social needs of the community are not to be ignored, some provisions should be made to include cultural activities in the plans.

(As examples of successful new towns of this type in the United States, a number of community planners cite Litchfield Park, Ariz., Irvine, Calif., and Columbia, Md.)

In planning a new town, the developers must decide whether to locate in a growth region or one that needs economic development.

They should draw up basic plans for their new town with *people* in mind—not machines and industry.

They must consider the availability of basic resources—including clean water, land for expansion, air that's relatively free from elements of pollution, and open space for recreation purposes.

They should place some facilities within walking distance, the rest within reach via public transportation.

And the new community must also be accessible to existing communities, recreation areas, and transportation facilities linking the community with the rest of the United States.

Electricity, gas, and telephone services should, of course, be readily available.

Provisions should be made, too, to insure that heating methods, trash disposal, and other community facilities will not be pollution factors.

Also—if the new town is to retain its desirable qualities and not become a new slum town in the next few years—planning for future renewal must be considered.

A community so planned is one of the most logical answers to the question of where to put America's growing population—young and old, city dwellers and rural residents—who want a place where they can live better, more useful lives. (*13*)

The Egg Breakers

The egg industry comes out of its shell by offering a big variety of processed egg products in several liquid and solid forms—especially useful for premix and candy firms.

Break an egg to make an omelet. . . . Break (and separate) 12 eggs to provide enough egg white for an angel food cake. . . . Break (and separate) 144 eggs to make 12 angel food cakes.

Processed eggs—whether frozen, dried, or liquid—have proved useful to commercial food

manufacturers and institutional cooks as well. So far, only small amounts have been sold over the retail counter to household consumers or for industrial use in nonfood products — such as paints, plasters, dyes, and medical preparations.

About 10 percent of the eggs produced in this country are processed. By 1975 the percentage may reach 25 or 30 percent. And even conservative estimates of future consumption forsee a market of well over 1 billion pounds of processed eggs by 1980, with a wholesale value of $300 million or more.

(In 1968 over 500 million dozen eggs were used to produce more than 670 million pounds of processed egg products. These eggs had a wholesale market value of about $160 million.)

There are about 160 sizable plants that break and freeze or dry eggs on a commerical scale, and 400 to 500 smaller plants that salvage eggs through breaking operations.

Most eggbreaking firms are in the Midwest. The industry traditionally acts as a buffer, by removing shell eggs from the market when prices are low and surpluses high—usually in the winter and spring.

Transforming whole eggs into various blends of liquid and solids is a complex process. Bakeries want uniform color, acidity, and beating time. Other processors are picky about the foaming and whipping qualities — "flowability", viscosity, and emulsifying and leavening properties.

The main processed egg products are plain whole eggs; whole eggs with extra yolk, sugar, salt, or syrup added according to formula; albumen; plain yolks; sugared yolks; and various other yolk and albumen combinations.

Whole eggs, both plain and mixed, account for about half of all processed eggs. Albumen and albumen products account for about 26 percent, and plain yolk and yolk blends, for about 20 percent.

Processed eggs come in three forms—frozen, liquid, and dried.

Frozen eggs account for well over half of the total production of processed egg products. They are used extensively by the baking industry, institutions, and a variety of food manufacturers.

Last June, more than 41 million pounds of egg products were frozen.

However, production of frozen eggs has been dropping off while that of dried and liquid eggs has been on the rise. And frozen eggs' share of total egg product volume may decline to only 15 or 20 percent of processed egg output by 1975.

Liquid eggs now constitute less than 10 percent of processed egg production, but this relatively small share represents an increase from previous years. Over half are sold as whole eggs or mixed whole blends.

Candy makers use them, and many bakeries and institutions that traditionally use frozen eggs are showing more interest. Market demand may therefore strengthen considerably over the next few years.

Liquid eggs bought for immediate use tipped the scales at over 7 million pounds during June '69 (usually a high egg-producing and therefore egg-breaking month).

Liquid eggs have one big advantage over other forms of egg products: they can be transported in tank trucks from production areas, thus lowering transportation and handling costs. Also, because liquid eggs have not been through the freezing process, they have desirable qualities of "flowability" and less "physical breakdown."

Dried eggs (or solids) constitute over one third of the processed egg market.

Production has grown steadily since the early 1950's when it dropped to a low point after enormous demand during World War II. And today's dried eggs aren't the same as they were in those wartime days. Many improvements have been in the characteristics of dried eggs, and they are gaining favor with bakeries and premix industries.

The 30 million pounds of eggs used for drying last June was 7 percent more than a year earlier. Trade sources estimate that this type of egg product will gradually become the most important, and by 1975 may account for as much as half of all processed egg production. (*14*)

Part of Midwest White-and-Yolk Business Is Picked Up By South

The Midwest used to be the stronghold of the egg breakers—probably because egg producers in that part of the country had more seasonal ups and downs in production, and therefore usually had large surpluses available for breakage during the late winter and the spring.

But new surplus producing areas have emerged as egg production has become less seasonal, and as the Midwest's share of total egg output has declined. In these areas egg breaking is becoming a direct secondary outlet for locally produced eggs.

And in areas that have too few eggs to meet year-round demand, egg breaking is a way of salvaging undergrade eggs and seasonal surpluses of small eggs.

The South registered the largest increase in the number of egg breaking plants during the 1960's, while the Midwest showed a decline during the decade. (No comparable shift has as yet taken place for drying plants. Manufacturers of premixes are the biggest users of dried eggs, but eggs are not always the major in-

gredient in premixes.)

In 1960, the Midwest was the site for 86.8 percent of all Federally inspected breaking plants. By 1969, the region's share had dropped to 52.7 percent.

During the same period, the percentage of egg breaking plants in the South jumped from only 7.5 percent to 25.8 percent. The Northeast region had 8.6 percent in 1969, and the West 12.9.

The Midwest still has 76.9 percent of the dried egg plants. The South and the West each have 11.5 percent. There are no plants in the Northeast. (*15*)

Better Hens and Handling Make Top Quality Eggs Easier To Get

Hens these days have every reason to cluck with pride.

Both egg size and quality are on the upswing and have been for a number of years.

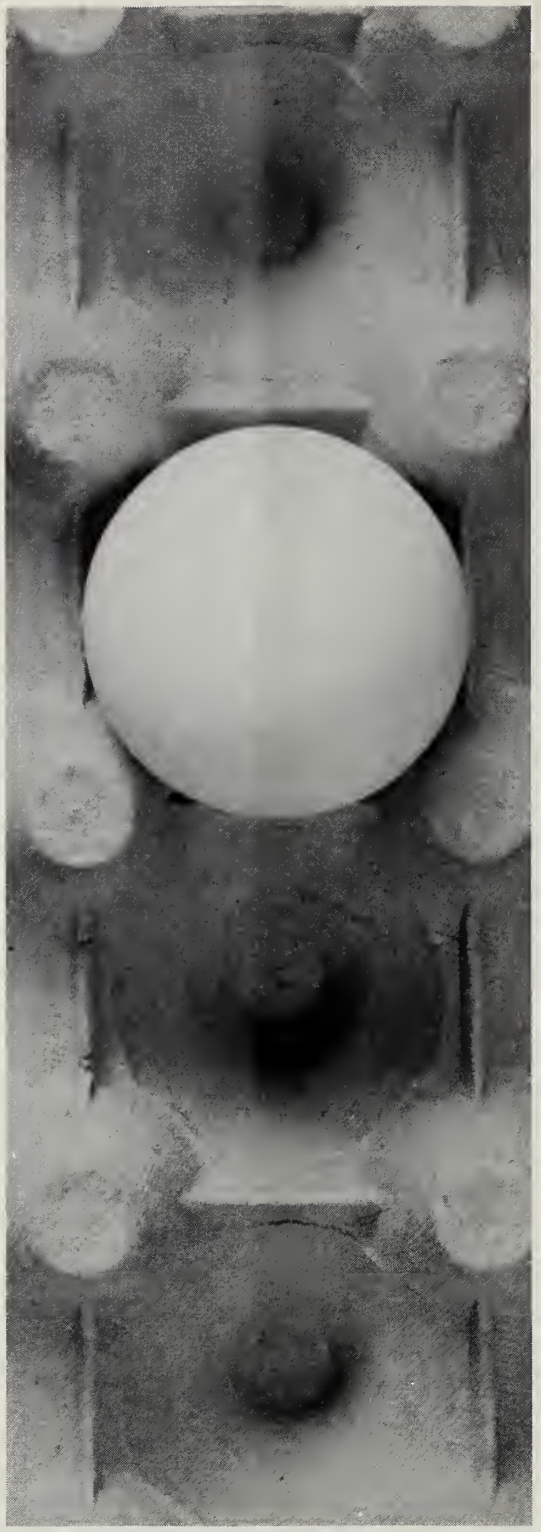
Producers can deliver better eggs to packing plants because of advances in poultry breeding and feeding and improved management and egg handling practices. More careful handling and better refrigeration during marketing —plus more rapid transportation and more direct marketing channels from packing plants to consumers—preserve the improved quality.

As a result, consumers get better eggs for their money.

While only 67 percent of the eggs delivered by producers to packing plants in the West North Central Region in 1948 were rated Grade A or better, 89 percent made the grade in 1964–66.

Data collected in an interim period, 1960–62 indicated that 93 percent of the eggs delivered to packers in the Northeast were Grade A; 88 percent in the South; and 85 percent in the Midwest.

By 1964–66, 95.4 percent of New England's eggs were Grade A's; 90.4 percent of Georgia, Alabama, and Mississippi's; and 87.6 percent of Iowa, Minnesota, and South Dakota's.



Countrywide, the quality of eggs—a measure of freshness, determined by yolk color and yolk and shell consistency—went up an average of 2 percent from 1960–62 to 1964–66.

Differences among the regions (factors which have tended to lower egg quality in the Midwest) are mainly due to the varying degrees of stringency in enforcement of quality control standards, the season, and the number of small flocks contributing to the egg supply. (*17*)

Lower Rail Rates Could Switch Some Long Haul Corn Shipments

Carrying corn from the field to people who use it as feed, process it, or eat it adds more than a pretty penny to corn's total marketing bill.

Transportation's contribution to the final value of corn is not known. Rail and truck transportation costs for long hauls contribute nearly 10 percent to the total marketing bill of farm-food products.

This does not include air and water transport or local hauls. Local hauls and water are especially important in transporting corn.

Farmers and processors want to get their corn to market as cheaply as possible. Transporters' rates help to determine the shipping methods chosen, and also have an effect on the competitive position of grains in various parts of the United States.

Ultimately the prices the farmers receive for their corn are affected by shifts in shipping trends.

Since World War II, there has been rapid growth in the volume of corn marketed. About half of the corn crop is now transported to market and may be hauled several times before it reaches the final user. This proportion is growing.

(The other half is used on the same farm where it is grown—mostly as feed for livestock.)

During the two decades from 1946–48 to 1966–68, off-farm sales tripled—from three-fourths of a billion bushels to 2¼ billion bushels.

Most of our corn transported long distances used to travel by train. More than half still did in 1963 (latest data available), but a lower percentage of it rides the rails than formerly.

Rail rates rose sharply in the early fifties. So, many corn producers and handlers shifted to

truck and barge shipments in the late 1950's and early 1960's.

Shipments by truck from country elevators in the North Central Region increased from 30.3 percent of all grain shipped in 1958 to 40.8 percent in 1963.

And the barge shipments increased from 1.4 to 2.1 percent. Rail shipments went down.

The opening of the Saint Lawrence Seaway was another factor in the decline of shipments by rail. Increases in barge transport to the Gulf ports also took business from railways.

In the early 1960's, the railroads began reviewing their rates, policies, and structures in an attempt to lower shipping rates.

More recently, they initiated the "rent-a-train" as a means of becoming more competitive with burgeoning truck and barge competition.

This innovation, introduced in the last half of the 1960's, was a refinement of the "unit train" tried some years earlier.

The first shipment by "rent-a-train" was made in October 1968 from an Illinois terminal facility to a Louisiana export port. It has the potential to reduce railway transportation rates substantially.

If achieved, the lower rates are expected to encourage a shift of some barge and truck grain traffic back to train.

Such a shift in means of transportation may restore to terminal elevators some of the traditional advantage they long have held over country elevators because of the greater volume of grain they can handle.

Furthermore, it may give North Central corn an advantage over Southwest grain sorghum in competing for export trade from ports along the Gulf.

The shift will have other side effects as well, as indicated by the various industrial interests represented in hearings before the ICC on rent-a-train. (*18*)

Kaleidoscopic Changes

Many things have been happening during the past couple of decades. Social problems have grown more acute. We have fought two wars. Cars have become more powerful. The stock market has boomed. Prices have risen. Our incomes have doubled. And we're eating differently too.

Among the biggest changes is our shift from butter to margarine.

Our purchases of total "table spreads" haven't changed very much. But 20 years ago, we bought around twice as much butter as margarine. Today it's just about the reverse.

And while we've been increasing our use of vegetable oils in the form of margarine, we've also been using more of these oils as cooking and salad oils.

Lard—an animal fat and a longtime favorite—is being used less for cooking, but is gaining in importance as an ingredient in shortenings and other products.

For another example of a shift in purchasing patterns, take the potato. For a long period we used smaller and smaller quantities each year. But now potatoes seem to be staging a comeback.

Though marketings of fresh potatoes haven't increased, sales of processed products are more than making up for this. They come canned, frozen and dried—as hash browns for hearty breakfast or pommes souffles for an elegant dinner. *(20)*

King-Sized Share of Cotton In Bedsheets and Pillowcases Slips

"Substitute" or "multipurpose" products have been around a long time despite changes in terminology.

Consider the bedsheet. The plain, white, all-cotton sheet.

In its traditional form the bedsheet has long served as a synthetic blanket of snow under the family Christmas tree. And it has substituted for a long line of manufactured products, too:

As a screen for home movies; a shroud for masquerading ghosts; an escape ladder for all kinds of people in all sorts of predicaments. And, in old age, strips from its worn body have served as hair curlers, kite tails, and bandages.

Now the cotton sheet itself is in trouble.

It's true that bedsheets are outranked only by men's and boys' trousers in important end uses of cotton. The trousers took the equivalent of 868,000 bales of cotton in 1968. Sheets and pillowcases took 814,000 bales.

But only about 4 years ago, 99 percent of new bedsheets and pillowcases were 100 percent cotton. By late 1968 the market share of the all-cotton sheet had dropped to 66 percent, and 1969 probably brought a further decline.

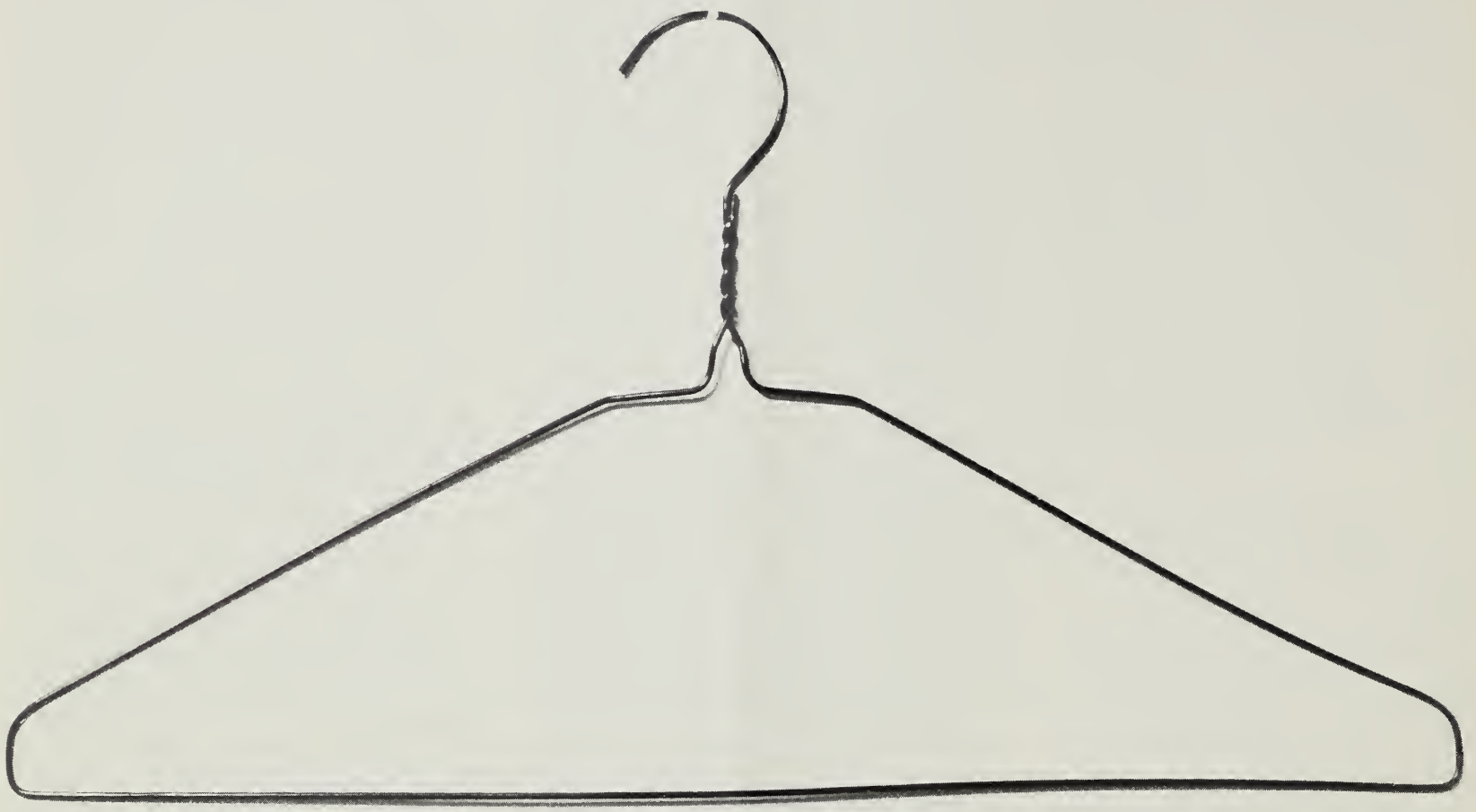
Polyester-cotton blend fabrics are responsible. They now make up about one-third of the market for sheets—king size to crib.

These blends are usually about 50 percent cotton. Even so, the equivalent of about 53,000 bales of cotton were displaced by blended sheets in 1969.

Cotton's inherent qualities—such as comfort, absorbency, and durability—are apparently being offset somewhat by manmade fibers' durable press with its consumer appeal. Another factor favoring blends is the manufacturer's relatively higher profit margin.

Not only are blends displacing all-cotton fabrics, but rayon—as polyester's partner—is bidding for cotton's place in blends. In January-March 1969 output of polyester-rayon blends, though relatively small, was 91 percent above a year earlier. Polyester-cotton blends rose only 22 percent.

The cotton industry, meanwhile, is trying to hold onto its space in the linen closet. One-third of the producer-supported 1969 Cotton Research and Promotion Program's $10 million budget was for research—mainly in the durable press area. (*19*)



THE DISPOSABLES: A TALE OF NEW FABRICS

Nonwoven fabrics are changing the texture of our lives—and of our clothes. Throwaway diapers, mortarboards, and bridal gowns ease washday and money woes.

Put it on, wear it once, throw it away. That's long been the dream of every housewife who spends tedious hours every week washing and ironing (and feels she has "nothing to wear" if she has a closet full of last year's fashions).

Now she can make her dream a reality—at least for some of the family's clothes—thanks to the new "nonwoven" disposable fabrics.

Present use of nonwoven fabrics runs the gamut from throwaway clothes to durable upholstery padding.

Nonwoven fabrics are constructed directly from fiber—a web or mat of fibers held together by a bonding material, a bonding process, or a combination of material and process.

The process was initiated in the cotton textile mills in the 1930's as a way to use waste cotton.

There are three categories of nonwoven fabrics—felts, bonded fiber fabrics, and paddings.

Natural fibers in nonwovens have been largely displaced by manmade fibers. Though the latter are often five times as expensive as cotton or rayon, they are reportedly more resistant to chemicals and wear and are low in absorbency.

Bonded fiber fabrics make up about 9.4 percent of total nonwoven production; felts and punched or needled materials, 30.3 percent; and padding materials, about 60.3 percent.

When bonded fiber fabrics first came on the market they were made up almost entirely of cotton

and the bonding agent (resin, starch, gums, or acrylic material).

But rayon became a strong competitor during the 1950's because it was cheaper and easier to manufacture. By 1958, cotton's share had dropped to about four tenths, and by 1967, to less than one-tenth.

Despite the drawbacks of cotton—high cleaning costs before use, lack of uniformity, and relatively low strength—cotton is still able to compete with manmade fibers for about three-fourths of the total raw material market for bonded fiber fabrics.

Cotton fibers are especially suited for products made for disposable, sanitary, and medical uses. The market for these products is considered the fastest growing in disposables today.

Natural fibers do not appear to have much of a potential market in felt goods, however. About 300 million pounds are produced annually. Only 10 percent of the fiber used is wool, with a relatively small amount of cotton. Hair and jute (often laminated with sponge rubber or foam) are the predominant materials.

Cotton has about two-thirds of the total 600-million-pound padding market, with good potential for growth despite some loss to foam rubber and polyurethane foam.

Cotton accounts for 86 percent of all materials in bedding, 63 percent in automative use, and 24 percent in furniture padding.

And cotton has gained added competitive strength as a fiber in batting material with the development of cotton "flote." (This is the name given a new cotton padding product made by entanglement and bonding of cotton fibers. It has good potential in automotive padding and furniture upholstery use.)

The nonwoven fabric industry is growing fast. And as technology turns up new bonded fabrics that take greater advantage of cotton's properties and price, the market for cotton is likely to pick up despite its losses to manmade fibers in recent years. (*21*)

HIS AND HERS FABRIC FASHIONS. Open "His" closet or dresser and many of the clothes you'll see are still made of cotton. Open "Hers," however, and manmade fibers are more likely to meet the eye.

It took about 4.0 billion pounds of textile fibers to clothe America in 1967—split just about even between men's and boys' wear and garments for women, misses, children, and infants. But 60 percent of the total used in men's clothing was cotton, compared with only 33 percent for the women and children.

Cotton was the leading fiber in 10 of the 15 categories of men's clothing, but it was tops in only 4 of the 18 clothing categories for the others.

Wool was the No. 1 fiber in men's suits, and sport coats, and sweaters. But for women and children it led other fibers only in the coats and jacket category. (*22*)

Men and Boys' Wear				Women's, Misses', Children's, and Infants' Wear			
Article	Percent of total fibers used			Article	Percent of total fibers used		
	Cotton	Wool	Manmade		Cotton	Wool	Manmade
Suits, all weights	6	56	38	Suits	14	25	61
Sport coats	15	45	40	Skirts	21	27	52
Slacks and outer shorts	33	9	58	Slacks	38	11	51
Overcoats, top coats, and rainwear	35	30	35	Dresses	26	7	67
Business and dress shirts	55	—	45	Coats and jackets	20	55	25
Sports shirts, knit	78	—	22	Rainwear	30	—	70
Sport shirts, woven	53	2	45	Blouses and shirts	45	1	54
Underwear, woven	75	—	25	Playsuits, sunsuits, and shorts	63	2	35
Underwear, knit	91	1	8	Brassieres and foundation garments	24	—	76
Nightwear	91	—	9	Underwear, woven	32	—	68
Hosiery	53	3	44	Underwear, knit	23	—	77
Robes and neckties	52	15	33	Nightwear, woven	70	1	29
Sweaters	4	62	34	Nightwear, knit	53	5	42
Swimwear	51	1	48	Sweaters	4	28	68
Utility clothing	85	—	15	Swimwear	35	—	65
				Hosiery	1	—	99
				Anklets and socks	54	5	41
				Gloves	33	—	67
Total	60	9	31	Total	33	11	56

Haiti's Rough Economic Road

The road traveled thus far by Haiti's long-suffering millions has led only to a deadend of grinding poverty and economic lethargy—with no signpost to an easy exit.

Haiti was once widely known as the "Queen of the Antilles." But a series of natural and man-made afflictions forced it to abdicate the figurative title many years ago.

Most of Haiti's 5 million people still hold their heads high. But in the court of nations they now have the smallest income per person and lowest living level in all the Western Hemisphere.

Facts about life in Haiti are at best depressing. (And few up-to-date facts can be gleaned from Haiti's census—since the country has had only one, 20 years ago.)

Haiti's economy—primarily agricultural—has been stagnant for a long time.

The per person share of the nation's GNP has averaged about $70 yearly for the past 15 years, with no significant up or down trends.

Among the debilitating factors have been hurricanes, prolonged drought, political instability, over population, haphazard farming practices, and lack of roads and marketing facilities.

As a result, output of the two chief crops and revenue-producers—coffee and sugar—have fallen off.

(And as an indirect result, earnings from tourism—Haiti's third money maker—have until very recently mirrored the general economic decline.)

Coffee still accounts for around half of all Haiti's yearly foreign exchange earnings. But the 1968 crop of around 29,000 metric tons was about 17 percent below the average between 1959 and 1963.

Sugar production has declined around 19 percent during the same period. Though an estimated 630,000 tons of cane were cut for sugar in 1968, the actual amount of raw sugar extracted came to only 57,000 tons because of the relatively low 9-percent yield.

Meanwhile, most Haitians continue to respond courteously to queries about their welfare with the answer, "No worse, thank you."

Few of them are aware that their nation—comparable in size to Maryland—is one of the most densely populated in the world.

The Haitian people, pocketed wherever they can eke out a living, live about 400 per square mile. And though Haiti's mountainous terrain is ruggedly scenic, over two-thirds of the land is so arid, stony, salty, eroded, or faulty in other ways that is unproductive, cropwise.

About 85 out of every 100 Haitians live in rural areas. Only 1 out of 10 of them can read and write. Their daily diet is well below standard.

Their cropland holdings av-

erage less than one-half acre—much of it subject to erosion. And they are usually isolated from Haiti's "other" money economy centered around tourism, forestry, mining, or fishing.

The coffee, sugar, and sisal these rural Haitians grow are the mainstay of export trade.

Essential oils, bauxite and copper, and handicrafts (especially carved mahogany and taverneau items) are the only other exports of importance.

The United States is Haiti's major trading partner. We took over two-fifths of Haiti's 1965/66 exports—and coffee accounted for over half of these purchases. In turn, we supplied well over half of Haiti's imports.

Are there any economic indicators that the "No worse" outlook of the Haitian might change to "A bit better?"

Not many, really. But there are a few straws in the wind that might help to stir Haiti out of its economic lethargy:

—Tourists are once again eyeing Haiti as a potential vacation area. And an upsurge in tourists means more needed foreign exchange and more job opportunities within the country.

—Relatively low labor wages (averaging under $2 daily) and a surplus labor force are encouraging the establishment in Haiti of more industries that are based on finished processing of raw materials.

To some degree, this is now being done by U.S. and other firms. (One small example: Over half the baseballs and softballs imported into the U.S. are now made in Haiti.)

—Crop prospects are somewhat brighter now that the prolonged drought is over. Also a new sugar mill nearly completed at Cap-Haitien could raise sugar-grinding capacity 15 to 20 percent. And the country's general economy may pick up as a result of some growth in construction of hotels and light industry. (*23*)

Head Baskets, Supermarkets Are Links in Jamaica Marketing Chain

Winter tourists who debark at Jamaican ports most often limit their food purchases to hotel meals sandwiched between shopping sprees.

These short-time visitors aren't in the same class as permanent or part-time residents who seek the best food buys for their money.

For them, Jamaica's food marketing system offers three types of retail outlets: large self-service stores; small food shops; and native "higglers" whose wares are marketed from a head-basket.

Supermarkets and superettes —almost unknown in Jamaica a decade ago—are now capturing an increasing share of the island's retail food trade. Supermarkets in Kingston, the big commercial center, carry about 5,000 to 6,000 items. They include many convenience foods, well known American brands, and other items produced abroad.

Throughout Jamaica there are probably about 50 of these big self-service stores, 15 of them America-sized. Most all the managers are Jamaicans with considerable retailing know-how.

Big U.S. food manufacturing companies (which may also be international) usually ship goods to Jamaica from whichever plant can put the items into Kingston at the lowest price. The landed price depends largely on subsidiaries' costs and prices, Commonwealth tariff preferences, and transport costs.

Despite recent inroads by the supermarket, small food shops predominated among Jamaica's 17,926 food stores in 1964—or about one per 100 people. Only 42 of these stores grossed over $84,000, and more than 17,000 shops had sales under $14,000. Almost 15,000 were in rural areas.

A typical small food shop may have less than 200 square feet of sales area. Dry and canned groceries, and a few nonfood items, make up its sparse stock. And a sale of three eggs, three cigarettes, a half-loaf of bread, and a quarter-pound of margarine is common.

Both large and small food stores around Kingston are serviced directly by importer-wholesalers and by bakery and ice cream companies. Elsewhere, small wholesalers serve as middlemen for the importer-wholesalers.

Jamaica has no consumer or retailer cooperatives, no voluntary chains, and apparently only two corporate food chains—which together have nine stores.

Haggling with higglers is yet another—and time-honored—way of shopping in Jamaica.

Higglers by the thousands (no one really knows how many) have been an integral part of Jamaica's food marketing system for generations. They are firmly established as vendors of diverse, small-lot fresh fruits and vegetables. And their important role is evidenced by the absence of fresh produce in most retail stores.

Most of the colorful higglers—the delight of camera-carrying tourists—are wives of farmers who till small home gardens. They bring their produce to market on foot, by public bus, or perhaps in a private truck "pool." Their retail shelf is traditionally a large basket balanced on the head.

A higgler's daily business volume and net earnings are very small—limited as they are by the depth and diameter of a basket.

But many basketfuls add up.

Higglers will probably be peddling their breadfruit, bananas, "greens," citrus—and even chickens and eggs—for years to come. But their importance is likely to wane as rural youths gravitate to the cities and the marketing system is modernized as time goes on. (*24*)

A COMPARISON: AGRICULTURE IN THE U.S. AND THE U.S.S.R.

	United States	1967		USSR
PEOPLE / It takes about a third of the Soviet work force to produce the nation's food and fiber. Only 6.6 percent of our U.S. labor force is employed in agriculture.	197.1	National population	Millions	235.5
	74.3	Annual average employment	Millions	112.2
	4.9	Annual average employment in agriculture	Millions	39.5
	6.6	Farm share of total work force (annual average)	Percent	35.2
	1.6	Workers per farm	Number	418 Collective 618 State
FARMS / About 97 percent of Soviet farmland is in huge state-owned or controlled complexes with hundreds of workers each. By comparison, U.S. farms are small. Most are operated by the farm owner and his family, with perhaps one or two hired workers.	3,146,000	Number of farms	Numbers	36,200 Collective 12,783 State
	360	Land area per farm	Acres	30,077 Collective 118,765 State
	95	Sown area per farm	Acres	7,031 Collective 17,050 State
	225	Land area per worker	Acres	72 Collective 192 State
	59	Sown area per worker	Acres	17 Collective 28 State
INPUTS / The present Soviet regime is trying to step up agricultural efficiency by raising the level of such inputs as fertilizers and pesticides and by expanding irrigation and drainage facilities. It is also providing farmers more incentives—such as financial concessions—and is encouraging greater use of livestock products in the Soviet diet.	97	Fertilizer (plant nutrients) per sown acre	Pounds	33
	4,820	Tractors	Thousands	1,739
	3,125	Trucks	Thousands	1,054
	870	Grain combines	Thousands	553
	29.0	Electricity consumption (farm)	Billion kilowatt	25.8
OUTPUT / The Soviets have recently narrowed the agriculture gap in many aspects, but many deficiencies still exist. U.S. farmers, using less labor and land, and more capital, continue to achieve the greater output and generally higher crop yields. Both countries have adequate calories available per person. But the Soviet diet is heavy in cereals and potatoes, while the U.S. diet is high in vegetables, fruits, and livestock products. (25)	176	Four feed grains	Million short tons	49*
	51	Four feed grains	Million short tons	86*
	7,458	Cotton	Thousand bales	9,325
	976,060	Soybeans	Thousand bushels	20,209*
	112	Sunflowerseed	Thousand short tons	6,701*
	1,967,911	Tobacco	Thousand pounds	573,195*
	21,010	Beef and veal	Million pounds	9,557*
	12,550	Pork	Million pounds	7,440*
	650	Mutton, lamb, and goat	Million pounds	1,764*
	8,108	Poultry	Million pounds	1,764*
	119,294	Milk cows	Million pounds	156,035*
	70.2	Eggs	Billion	33.9

*USDA estimate

THE EUROPEAN COMMUNITY'S COMMON AGRICULTURAL POLICY: IMPLICATIONS FOR U.S. TRADE. B. L. Berntson, O. H. Goolsby, and C. O. Nohre, Foreign Development and Trade Division. FAER–55.

Implementation of the European Community's Common Agricultural Policy has had an impact on international trade in many agricultural commodities. The hallmark of the CAP is a system of minimum import prices and variable levies, with modifications and exceptions where dictated by production, marketing, and institutional conditions. For many agricultural products the European Community (EC) has become insulated from world market price levels. This has significant bearing on international production and consumption incentives and, in turn, on the level and flow of trade. (See September 1969 Farm Index.)

AGRICULTURE IN NEBRASKA. R. D. Johnson, Farm Production Economics Division, in cooperation with the Nebraska Agricultural Experiment Station. Neb. Agr. Expt. Sta. CC 187.

Agriculture is Nebraska's most important industry. It accounts for about 45 percent of the value added by all industry groups. Agriculture and the agriculturally related food and kindred products sector account for almost two-thirds of the total.

MAJOR STATISTICAL SERIES OF THE U.S. DEPARTMENT OF AGRICULTURE: HOW THEY ARE CONSTRUCTED AND USED; VOLUME 3. GROSS AND NET FARM INCOME. M. Myers, Economic and Statistical Analysis Division. AH–365.

Estimates and forecasts of farm income and expenditures are essential guides in the determination of agricultural policy. Farm income estimates measure the combined effect of changing prices, production, sales, and production costs on U. S. farms.

RECENT PUBLICATIONS

The publications listed here are issued by the Economic Research Service and cooperatively by the State universities and colleges. Unless otherwise noted, reports listed here and under Sources *are published by ERS. Single copies are available free from The Farm Index, OMS, U.S. Department of Agriculture, Washington, D.C. 20250. State publications (descriptions below include name of experiment station or university after title) may be obtained only by writing to the issuing agencies of the respective States.*

ECONOMICS OF AGRICULTURE: REPORTS AND PUBLICATIONS ISSUED OR SPONSORED BY USDA'S ECONOMIC RESEARCH SERVICE: APRIL 1961-SEPTEMBER 1968. P. Thomas, Office of Administrator. ERS–340.

This list of research publications is designed as a source of reference for the published materials of ERS from 1961 through 1965.

The list is intended to include citations for all published materials of more than temporary interest, regardless of the form in which published or the current availability. Articles in technical and professional journals—both within and outside USDA—are listed, as well as proceedings of symposia and conferences which report important ERS research results.

RISK, UNCERTAINTY, AND FUTURES TRADING, IMPLICATIONS FOR HEDGING DECISIONS OF BEEF CATTLE FEEDERS. W. A. Elder, Farm Production Economics Division, in cooperation with Minnesota Agricultural Experiment Station. Minn. Agr. Expt. Sta. Staff Paper P69–20.

The major effort of this paper has been to develop a theoretical hedging decision model for cattle feeders. The paper attempts to provide a background for such a model by reviewing the nature, sources and strategies for meeting the problems of risk and uncertainty faced by primary producers and outlining basic concepts of hedging through future markets.

SUPPLEMENT FOR 1969 TO FEED STATISTICS. Commodity Analysis Branch, Economic and Statistical Analysis Division. SB–410 Supp.

This supplement revises and updates tables to *Feed Statistics Through 1966* (SB–410) and serves also as a statistical supplement to the *Feed Situation,* published five times a year by ERS, which carrier current data for most series in this bulletin.

THE AGRICULTURAL SITUATION IN THE FAR EAST AND OCEANIA: 1969 MID-YEAR REVIEW. Foreign Regional Analysis Division. ERS–For. 280.

Far East and Oceania agricultural production in 1969/70 is expected to exceed the previous year's record high. Most countries will share in the increase. Food grain production in India may reach 100 million tons, compared with the previous record of 95 million tons in 1967/68. Generally favorable weather should account for much of the prospective production gains. (See December 1969 Farm Index.)

CONCENTRATED FEEDINGSTUFFS FOR LIVESTOCK IN BELGIUM-LUXEMBOURG, 1960-61 TO 1965-66 (LIVESTOCK FEED BALANCE). P. H. Weightman, New York Agricultural Experiment Station, in co-

operation with the Foreign Regional Analysis Division. N. Y. Agr. Expt. Sta. A. E. Res. 286.

The objectives of this study are to calculate and compare the quantities of concentrated feeding stuffs available to and consumed by livestock.

DATA FOR FARM PLANNING IN THE SOUTHWEST LOUISIANA RICE AREA. A. R. Gerlow, Farm Production Economics Division, and W. F. Woolf, Louisiana Agricultural Experiment Station. La. Agr. Expt. Sta. D.A.E. Res. Rept. 403.

This report contains information on resource requirements, production practices, performance rates, prices, costs, and expected returns for crop and livestock enterprises in the Southwest Louisiana rice area.

The method of presentation, however, is such that data can be adjusted and applied to a particular situation or specific set of conditions.

RISK, UNCERTAINTY, AND FUTURES TRADING, IMPLICATIONS FOR HEDGING DECISIONS OF BEEF CATTLE FEEDERS. W. A. Elder, Farm Production Economics Division, in cooperation with Minnesota Agricultural Experiment Station. Minn. Agr. Expt. Sta. Staff Paper P69–20.

The major effort of this paper has been to develop a theoretical hedging decision model for cattle feeders. The paper attempts to provide a background for such a model by reviewing the nature, sources, and strategies for meeting the problems of risk and uncertainty faced by primary producers and outlining basic concepts of hedging through futures markets.

PRICING STRUCTURE AND SERVICE COSTS IN THE RETAIL FEED MARKET IN ILLINOIS. W. G. Bursch, Farm Production Economics Division, in cooperation with Illinois Agricultural Experiment Station. Ill. Agr. Expt. Sta. AERR–100.

This report identifies pricing and price discounting practices, describes the structure of costs for common services provided by retail dealers, and summarizes the impact of pricing practices on typical livestock operations.

HAITI'S AGRICULTURE AND TRADE. W. F. Buck, Foreign Regional Analysis Division. ERS–For. 283.

Haiti's agriculture and trade growth have been held back by drought, hurricanes, outdated farming practices, lack of transportation and marketing facilities, and political instability. But because other sectors of the economy are undeveloped or developing slowly, agriculture continues to account for more than half the gross national product and foreign exchange earnings.

The United States is Haiti's principal trading partner, taking over two fifths of the exports in 1965/66 and furnishing Haiti with more than 55 percent of its imports during the same period. Other Haitian exports of importance were sugar, sisal, oils, bauxite, and copper ore, and handicrafts. Haiti's imports include wheat and flour and fats and oils. (See page 18, this issue.)

Color Your Lectures

Many agricultural economists find it easier to get their point across if they have graphs or slides to illustrate their words.

That's why USDA makes a set of 35 mm. color slides for use by agricultural leaders and teachers. The 187-frame set is an easily projectable version of *Handbook of Agricultural Charts, 1969.*

The pictorial range covers the general economy, farm population, family living levels, agricultural production, trade, and marketing, and food prices.

The complete slide set, named "Our Agricultural Economy, 1969" may be bought for $19 from USDA's Photographic Division, Office of Information, Washington, D. C. 20250.

State institutions may use purchase orders. Others must send a remittance payable to Office of Information, USDA.

Numbers in parentheses at end of stories refer to sources listed below:

1. Radoje Nikolitch, Our 31,000 Largest Farms (M); 2. John E. Lee, Jr., The Challenge of a Changing Farm Financial Structure (S); 3. Herman Delvo, Hail Insurance in Nebraska, 1969 (M); 4. Wayne D. Rasmussen (SM); 5. M. A. Soliman and C. R. Burbee (SM) and Poultry and Egg Situation, PES–258 (P); 6. Raymond R. Hancock (SM); 7. D. David Moyer, Marshall Harris, and Marie B. Harmon, Land Tenure in the United States—Development and Status, Agr. Inf. Bull. 338 (P); 8. James R. Bowring and Nelson L. LeRoy, The New Hampshire Older Poor, Coop. Ext. Serv., Univ. of N.H., Ext. Circ. 398(P); 9. Ronald E. Kampe and William A. Lindamood, County Underemployment Estimates for All Counties of the United States, 1960 (M); 10. Hugh A. Johnson, The National Outlook—Supply and Demand in Outdoor Recreation (S); 11. Hugh A. Johnson, Sources of Capital for Recreation Enterprises (S); 12. Chauncey T. K. Ching and George E. Frick (SM); 13. Jeanne M. Davis, A Review of the Problems of Planning and Constructing a New Community (S); 14. Harold B. Jones, Jr., Processed Egg Products: A Marketing Opportunity, ERS–405 (P) and (SM); 15. George B. Rogers and Robert M. Conlogue, Economic Characteristics and Changes in the Market Egg Industry (M); 17. George B. Rogers and Robert M. Conlogue, Economic Characteristics and Changes in Market Egg Industry (M); 18. Clarence A. Moore and Philip B. Dwoskin, Corn—Culture, Processing, and Products (M); 19. Russell Barlowe and James R. Donald, "Recent Changes in Selected Cotton End Uses," CS–234 (P); 20. Stephen J. Hiemstra, "Telescoping 20 Years of Change in the Food We Eat" Yearbook of Agriculture, 1969 (P); 21. C. A. Moore and O. C. Hester, Natural Fibers in Nonwoven Manufacture (M); 22. Russell G. Barlowe (SM); 23. Wilbur F. Buck, Haiti's Agriculture and Trade, ERS–For. 283 (P); 24. Norris T. Pritchard, William P. Huth, and Nick Havas, U.S. Agricultural Export Prospects in Jamaica, FAER 56; 25. J. A. Levine and Paige I. Bryan, Agriculture in the United States and the USSR, ERS–For. 229 (P); 26. Same as 19.

Speech (S); published report (P); unpublished manuscript (M); special material (SM); *State publications may be obtained only by writing to the experiment station or university cited.

ECONOMIC TRENDS

ITEM	UNIT OR BASE PERIOD	'57-'59 AVERAGE	1968		1969		
			YEAR	NOVEMBER	SEPTEMBER	OCTOBER	NOVEMBER
Prices:							
Prices received by farmers	1910-14=100	242	261	264	275	277	285
Crops	1910-14=100	223	229	231	214	217	228
Livestock and products	1910-14=100	258	288	292	328	327	333
Prices paid, interest, taxes and wage rates	1910-14=100	293	354	360	374	376	377
Family living items	1910-14=100	286	335	341	354	355	356
Production items	1910-14=100	262	292	294	304	305	306
Parity ratio		83	74	73	74	74	76
Wholesale prices, all commodities	1957-59=100	—	108.7	109.6	113.6	114.0	114.5
Industrial commodities	1957-59=100	—	109.0	109.9	113.2	113.8	114.0
Farm products	1957-59=100	—	102.2	103.1	108.4	107.9	110.4
Processed foods and feeds	1957-59=100	—	114.1	114.7	121.3	121.6	121.6
Consumer price index, all items	1957-59=100	—	121.2	123.4	129.3	129.8	—
Food	1957-59=100	—	119.3	120.5	127.5	127.2	—
Farm Food Market Basket: [1]							
Retail cost	Dollars	983	1,118	1,125	1,196	1,186	—
Farm value	Dollars	388	435	430	484	477	—
Farm-retail spread	Dollars	595	683	695	712	709	—
Farmers' share of retail cost	Percent	39	39	38	40	40	—
Farm Income: [2]							
Volume of farm marketings	1957-59=100	—	126	170	143	185	170
Cash receipts from farm marketings	Million dollars	32,247	44,386	4,883	4,482	5,617	5,100
Crops	Million dollars	13,766	18,847	2,712	1,904	2,782	2,400
Livestock and products	Million dollars	18,481	25,539	2,171	2,578	2,835	2,700
Realized gross income [3]	Billion dollars	—	51.1	—	55.3	—	—
Farm production expenses [3]	Billion dollars	—	36.3	—	38.8	—	—
Realized net income [3]	Billion dollars	—	14.8	—	16.5	—	—
Agricultural Trade:							
Agricultural exports	Million dollars	4,105	6,228	609	471	646	—
Agricultural imports	Million dollars	3,977	5,028	420	399	469	—
Land Values:							
Average value per acre	1957-59=100	—	[5] 170	176	179	179	[6] 179
Total value of farm real estate	Billion dollars	—	[5] 193.7	200.6	202.6	202.6	[6] 202.6
Gross National Product: [3]	Billion dollars	457.3	865.7	—	942.8	—	—
Consumption	Billion dollars	294.2	536.6	—	579.8	—	—
Investment	Billion dollars	68.0	126.3	—	143.3	—	—
Government expenditures	Billion dollars	92.4	200.3	—	217.0	—	—
Net exports	Billion dollars	2.7	2.5	—	2.7	—	—
Income and Spending: [4]							
Personal income, annual rate	Billion dollars	365.3	687.9	711.5	760.7	763.1	—
Total retail sales, monthly rate	Million dollars	17,098	28,309	28,806	29,249	29,371	—
Retail sales of food group, monthly rate	Million dollars	4,160	6,106	6,235	6,298	—	—
Employment and Wages: [4]							
Total civilian employment	Millions	63.9	75.9	76.4	78.1	78.3	78.5
Agricultural	Millions	5.7	3.8	3.7	3.5	3.3	3.4
Rate of unemployment	Percent	5.8	3.6	3.4	4.0	3.9	3.4
Workweek in manufacturing	Hours	39.8	40.7	40.8	40.8	40.5	40.5
Hourly earnings in manufacturing, unadjusted	Dollars	2.12	3.01	3.08	3.24	3.25	3.26
Industrial Production: [4]	1957-59=100	—	165	168	174	173	—
Manufacturers' Shipments and Inventories: [4]							
Total shipments, monthly rate	Million dollars	28,745	50,310	52,548	56,434	56,678	—
Total inventories, book value end of month	Million dollars	51,549	88,579	87,947	94,211	94,994	—
Total new orders, monthly rate	Million dollars	28,365	50,597	53,100	56,829	56,636	—

[1] Average annual quantities of farm food products purchased by urban wage-earner and clerical-worker households (including those of single workers living alone) in 1959-61—estimated monthly. [2] Annual and quarterly data are on 50-State basis. [3] Annual rates seasonally adjusted third quarter. [4] Seasonally adjusted. [5] As of November 1. [6] As of March 1.

Sources: U.S. Dept. of Agriculture (Farm Income Situation, Marketing and Transportation Situation, Agricultural Prices, Foreign Agricultural Trade and Farm Real Estate Market Developments); U.S. Dept. of Commerce (Current Industrial Reports, Business News Reports, Advance Retail Sales Report and Survey of Current Business); and U.S. Dept. of Labor (The Labor Force and Wholesale Price Index).

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OFFICIAL BUSINESS

Lost Yardage

While Dame Fashion has been cutting her usual swathe in the couterier's salon, she's also whacked a bit at cotton textile usage.

The apparel world attributes most of the shift away from cotton to a wider use of blended fabrics. But the changing patterns of fiber use can also be traced to contemporary fashions —briefly and specifically, the miniskirt.

As hemlines quickly inched their way up between 1964 and 1968, the quantity of fabric needed for a woman's woven cotton skirt fell by yards.

The cotton skirt manufacturer needed an average of 3.2 square yards of cotton fabric to make a cotton skirt in 1964. By 1968 he needed an average of only 1.9 square yards—or 40 percent less.

Over the same period, there was a decline of about 20 percent in the yardage of cotton material that went into the manufacturer of women's woven cotton dresses.

Many cotton skirts and dresses —as well as other cotton garments—are made of broadcloth, colored yarn fabrics, oxford cloth, or poplins.

Cotton used in the manufacture of these four fabric groups (plus bedsheeting as a fifth category) accounted for about one-fourth of total cotton mill usage in the 3-year period 1966-68.

Textile imports probably had little net effect on the categories as a whole, as our exports were offsetting. But cotton's losses to manmade fiber fabric blends during the period were equal to about 300,000 bales. (*26*)

THE FARM INDEX

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Numbers in parentheses at end of stories refer to sources listed at end of issue.

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